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F I L E D

Clerk of the Superior Court

DEC 11 2006

By: K SANDOVAL, Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

Coordination Proceeding
Special Title (Rule 1550(b)):

JUDICIAL COUNCIL COORDINATION
PROCEEDING NOS. 4221, 4224, 4226 and
4228

The Honorable Ronald S. Prager
Coordination Trial Judge

**NATURAL GAS ANTI-TRUST CASES I,
II, III & IV**

**[PROPOSED] JUDGMENT, FINAL
ORDER, AND DECREE GRANTING
FINAL APPROVAL TO CLASS ACTION
SETTLEMENT WITH CORAL**

Date: December 11, 2006
Time: 10:00 a.m.
Courtroom: Department 71

This Document Relates To:

THE FOLLOWING PRICE INDEXING
CASES ONLY:

*Team Design, et al. v. Reliant Energy, Inc., et
al., Los Angeles County Superior Court Case
No. BC294113*

*Uyeda, et al. v. Centerpoint Energy, Inc., et al.,
San Diego County Superior Court Case No.
GIC810580*

*Oberti Wholesale Foods, Inc. v. Encana
Energy Services, Inc., et al., Alameda County
Superior Court Case No. RG03098109*

579106.1

1 *Shanghai 1930 Restaurant Partners, L.P. v.*
2 *EnCana Energy Services, Inc., et al.,* San
3 Francisco County Superior Court Case No.
4 CGC-03-420785

5 *A.L. Gilbert Co. v. Coral Energy Resources,*
6 *L.P., et al.,* Alameda County Superior Court
7 Case No. RG03097835

8 *Brown v. Encana Energy Services, Inc., et al.,*
9 Alameda County Superior Court Case No.
10 RG03099036

11 *Podesta v. EnCana Energy Services Inc., et al.,*
12 San Joaquin County Superior Court Case
13 No. CV021175

14 *Lois the Pie Queen v. EnCana Energy Services*
15 *Inc., et al.,* Alameda County Superior Court
16 Case No. RG03104286

17 *Vittice Corp. v. EnCana Corp., et al.,* Alameda
18 County Superior Court Case No. RG04137797

19 *Benscheidt, et al. v. AEP Energy Services, Inc.,*
20 *et al.,* San Diego County Superior Court Case
21 No. GIC825011

22 *Older v. Sempra Energy, et al.,* San Diego
23 County Superior Court Case No. GIC835457

1 This matter is before the Court on the motion for final class certification and final
2 approval of a proposed class action settlement (the "Settlement") of the above-captioned cases
3 (the "Class Actions") entered into between, on the one hand, plaintiffs A.L. Gilbert Company,
4 Mark and Susan Benscheidt dba Madera Wash Depot and Countrywood Laundromat, David C.
5 Brown, H & M Roses, Inc., Lois the Pie Queen, Celina Martinez, Oberti Wholesale Foods, Inc.,
6 Dan L. Older, Craig Podesta, Shanghai 1930 Restaurant Partners, L.P., Michael and Haleema
7 Silverman, Tom and Lynette Stevenson, Timothy Engeln, Inc. dba Team Design, Laurence
8 Uyeda, and Vittice Corporation (collectively, the "Class Representatives"), individually and on
9 behalf of the Settlement Classes (as defined below), and, on the other hand, defendant Coral
10 Energy Resources, L.P. ("Coral" and, together with the Class Representatives, the "Settling
11 Parties"), as set forth in the Settlement Agreement attached hereto as Exhibit A.

12 By the Order Granting Preliminary Approval of Class Action Settlements entered on
13 September 1, 2006 (the "Preliminary Approval Order"), the Court: (a) conditionally certified the
14 Settlement Class and Subclasses defined therein (collectively, the "Settlement Classes"); (b)
15 appointed the Class Representatives and their counsel ("Class Counsel") to represent the
16 Settlement Classes, as set forth therein; (c) granted preliminary approval to the Settlement; and
17 (d) ordered that notice of the Settlement be disseminated to the Settlement Classes, as directed
18 therein, on or before October 11, 2006.

19 In compliance with the Preliminary Approval Order, notice was published and/or mailed
20 to the members of the Settlement Classes on or before October 11, 2006.

21 On December 11, 2006, the Settling Parties appeared before the Court at the final
22 approval and fairness hearing (the "Fairness Hearing"), represented by their respective attorneys.
23 An opportunity to be heard was given to all persons requesting to be heard. The Court has
24 reviewed and considered all of the pleadings filed in connection therewith, and all of the
25 arguments and evidence presented at the Fairness Hearing in support of the Settlement.

26 In addition to the foregoing, on November 15, 2006, Coral noticed, filed, and served the
27 Settling Defendants' Joint Motion for Determination of Good Faith Settlement (the "Good Faith
28 Motion"), pursuant to California Code of Civil Procedure Section 877.6(a)(1). No nonsettling

1 party, or any other alleged co-tortfeasor or co-obligor, has filed an opposition to the Good Faith
2 Motion.

3 The entire matter of the proposed Settlement having been duly noticed, and having been
4 fully considered by the Court,

5 IT IS HEREBY ADJUDGED, ORDERED, AND DECREED that:

6 1. This Court has jurisdiction over the claims of the members of the Settlement
7 Classes asserted in this coordination proceeding, personal jurisdiction over the Settling Parties
8 (including the members of the Settlement Classes), and subject matter jurisdiction to approve the
9 Settlement.

10 2. Notice given to the members of the Settlement Classes was reasonably calculated
11 under the circumstances to apprise the class members of the pendency of the Class Actions, all
12 material elements of the proposed Settlement, and their opportunity to exclude themselves from,
13 to object to, or to comment on the Settlement and to appear at the Fairness Hearing. The notice
14 was reasonable and the best notice practicable under the circumstances; was due, adequate and
15 sufficient notice to all class members; and complied fully with the laws of the State of California,
16 the California Code of Civil Procedure, the California Rules of Court, due process, and any other
17 applicable statutes or rules. A full opportunity has been afforded to the members of the
18 Settlement Classes to participate in the Fairness Hearing, and all members of the Settlement
19 Classes and other persons wishing to be heard have been heard. Accordingly, the Court
20 determines that all members of the Settlement Classes are bound by this Judgment, Final Order,
21 and Decree.

22 3. The Court finds that the applicable requirements of the California Code of Civil
23 Procedure section 382 and California Rules of Court 1859 and 1860 have been satisfied with
24 respect to the Settlement Classes and the Settlement.

25 4. On September 1, 2006, this Court conditionally certified a Settlement Class,
26 defined as:

27 All individuals and entities who between January 1, 1999 and
28 December 31, 2002, inclusive (the "Class Period"), directly or
indirectly purchased natural gas in California and/or at the

California border for use. Excluded from the Settlement Class are: individuals and entities who purchased natural gas for resale or for generation of electricity for the purpose of resale (but solely with respect to the extent of such purchases and not with respect to other purchases); Defendants and their predecessors, affiliates, subsidiaries, officers, and directors; federal, state, and local governments and governmental agencies; any and all judges and justices assigned to hear any aspect of this litigation, along with their spouses and any minor children residing in their households; any persons within the third degree of relationship of any judge or justice assigned to hear any aspect of this litigation.

In addition, on that same date, this Court conditionally certified two Settlement Subclasses, defined as:

The Core Natural Gas Subclass

All individuals and entities that purchased natural gas for use from any source and were or would otherwise have been generally classified as "core" or "core subscription" natural gas customers by one or more of California's natural gas utilities, including, without limitation, Southern California Gas Company, Pacific Gas & Electric Company, San Diego Gas & Electric Company, City of Long Beach Energy Department, and Southwest Gas Corporation, at any time between January 1, 1999 and December 31, 2002.

The Non-Core Natural Gas Subclass

All individuals and entities that purchased natural gas for use from any source and were or would otherwise have been generally classified as "non-core" natural gas customers (excluding "core subscription" customers) by one or more of California's natural gas utilities, including, without limitation, Southern California Gas Company, Pacific Gas & Electric Company, San Diego Gas & Electric Company, City of Long Beach Energy Department, and Southwest Gas Corporation, or who otherwise purchased natural gas pursuant to contract, at any time between January 1, 1999 and December 31, 2002.

5. Membership in the two Subclasses is subject to the same limitations and exclusions as the Settlement Class, including that purchases must have been made by members of these subclasses for use and not for resale or generation of electricity for the purpose of resale, and the exclusion of governmental entities. Settlement Class members who switched from "core subscription" or "core elect" status to "non-core" natural gas status during the class period (or vice-versa) are members of both the Core Natural Gas Subclass and the Non-Core Natural Gas Subclass.

6. The Court appointed the Class Representatives as representatives of the Settlement

1 Class. The Court appointed Class Representatives Mark and Susan Benscheidt, David C. Brown,
2 Lois the Pie Queen, Celina Martinez, Oberti Wholesale Foods, Inc., Dan L. Older, Shanghai 1930
3 Restaurant Partners, L.P., Michael and Haleema Silverman, Tom and Lynette Stevenson, Timothy
4 Engeln, Inc. dba Team Design, Laurence Uyeda and Vittice Corporation as representatives of the
5 Core Natural Gas Subclass. The Court appointed Class Representatives A.L. Gilbert Company
6 and H&M Roses, Inc. as representatives of the Non-Core Natural Gas Subclass. The Court
7 appointed the law firm of Lieff, Cabraser, Heimann & Bernstein, LLP as Co-Lead Settlement
8 Class Counsel and Lead Settlement Subclass Counsel for the Core Natural Gas Subclass. The
9 Court appointed the law firm of Engstrom, Lipscomb & Lack as Co-Lead Settlement Class
10 Counsel and Lead Settlement Subclass Counsel for the Non-Core Natural Gas Subclass. The
11 Court appointed the members of the Plaintiffs' Executive Committee as additional Settlement
12 Class Counsel.

13 7. California Code of Civil Procedure section 382 provides for class certification
14 when there is an ascertainable class and a well defined community of interest among class
15 members. The Settlement Class and each Subclass continue to meet this standard for class
16 certification, so that final certification of the Settlement Class and Subclasses is appropriate.
17 There have been no objections to the propriety of class certification.

18 8. The Court finds for the purposes of settlement only that: (i) the members of the
19 Settlement Class are so numerous that joinder would be impractical; (ii) there is a commonality of
20 interests among the members of the Settlement Class; (iii) there are questions of law and fact that
21 are common to the Settlement Class, and the common questions predominate over individual
22 questions; (iv) the Class Representatives' claims are typical of the claims of absent Settlement
23 Class members; and (v) the Class Representatives and Co-Lead Settlement Class Counsel will
24 fairly and adequately represent the interests of the absent Settlement Class members.

25 9. The Court finds for the purposes of settlement only that: (i) the members of the
26 Core Natural Gas Subclass are so numerous that joinder would be impractical; (ii) there is a
27 commonality of interests among the members of the Core National Gas Subclass; (iii) there are
28 questions of law and fact that are common to the Core National Gas Subclass, and the common

1 questions predominate over individual questions; (iv) the claims of plaintiffs Mark and Susan
2 Benschmidt, David C. Brown, Lois the Pie Queen, Celina Martinez, Oberti Wholesale Foods, Inc.,
3 Dan L. Older, Shanghai 1930 Restaurant Partners, L.P., Michael and Haleema Silverman, Tom
4 and Lynette Stevenson, Timothy Engeln, Inc. dba Team Design, Laurence Uyeda, and Vittice
5 Corporation are typical of the claims of absent Core Natural Gas Subclass members; and (v) these
6 Class Representatives and Lead Settlement Subclass Counsel will fairly and adequately represent
7 the interests of the absent Core Natural Gas Subclass members.

8 10. The Court finds for the purposes of settlement only that: (i) the members of the
9 Non-Core Natural Gas Subclass are so numerous that joinder would be impractical; (ii) there is a
10 commonality of interests among the members of the Non-Core Natural Gas Subclass; (iii) there
11 are questions of law and fact that are common to the Non-Core Natural Gas Subclass, and the
12 common questions predominate over individual questions; (iv) the claims of plaintiffs A.L.
13 Gilbert Company and H&M Roses, Inc. are typical of the claims of absent Non-Core Natural Gas
14 Subclass members; and (v) these Class Representatives and Lead Settlement Subclass Counsel
15 will fairly and adequately represent the interests of the absent Non-Core Natural Gas Subclass
16 members.

17 11. Accordingly, pursuant to California Code of Civil Procedure section 382, the
18 Court makes final its conditional certification of the Settlement Class and each of the two
19 Subclasses for settlement purposes only, and confirms the appointment of the Class
20 Representatives and Class Counsel to represent the Settlement Classes, as set forth above.

21 12. The following persons and entities not represented by their own counsel in this
22 coordination proceeding timely requested exclusion: Southern California Edison Company,
23 Pacific Gas and Electric Company,; Sierra Pacific Resources (on behalf of itself and related
24 entities); Wayne E. Williams, James H. Bailey, E. & J. Gallo Winery, Gallo Glass Company, and
25 BP Energy Company. Each of these entities (and, with respect to Sierra Pacific Resources, the
26 additional entities identified in its request for exclusion) are excluded from the Settlement
27 Classes.

28 13. The following persons and entities, represented by their own counsel in this

1 coordination proceeding, timely filed requests for exclusion: County of San Diego, County of
2 San Mateo, County of Santa Clara, County of Alameda, City and County of San Francisco, City
3 of Los Angeles, City of San Diego, Sacramento Municipal Utility District, The Board of Trustees
4 of The California State University, The Regents of the University of California, School Project
5 for Utility Rate Reduction (SPURR),; ABAG Publicly Owned Energy Resources; California Steel
6 Industries, Inc.; Hanson Permanente Cement, Inc.; TAMCO; Vista Metals Corp.; Nurserymen's
7 Exchange, Inc.; Owens-Brockway Glass Container, Inc.; PABCO Building Products, LLC and
8 Basalite Concrete Products, LLC. Each of these entities are excluded from the Settlement
9 Classes.

10 14. There have been no objections to the Settlement. The Coachella Valley Taxi
11 Owners Association has filed a comment in support of the Settlement.

12 15. The Court hereby grants final approval to the Settlement and finds that it is fair,
13 reasonable, and adequate, and in the best interests of the Settlement Classes.

14 16. The Settlement is entitled to a presumption of reasonableness, as it was negotiated
15 at arms'-length by experienced and well-prepared Class Counsel, and there have been no
16 objections to the Settlement. *7-Eleven Owners for Fair Franchising v. Southland Corp.* (2001)
17 85 Cal. App. 4th 1135, 1151.

18 17. The Settlement is also fair, reasonable, and adequate, as measured by the relevant
19 criteria. *See Dunk v. Ford Motor Co.* (1996) 48 Cal. App. 4th 1794, 1801 (listing and applying
20 factors).

21 18. Prior to entering into the proposed Settlement, Class Counsel, who have extensive
22 experience in class action and antitrust litigation, were well-informed about the potential risks and
23 rewards of continued litigation, having conducted extensive discovery and investigation, having
24 consulted extensively with experts concerning Coral's potential liability and Settlement Class
25 members' damages, having overcome numerous pleading challenges, and having moved for
26 certification of a litigation class. In a case as complex as this, continued litigation presents
27 serious risks for the Settlement Class at trial, and further risks on appeal, as the survival of any
28 judgment rendered in the Settlement Class' favor may turn on appellate resolution of a number of

1 legal defenses raised by defendants, such as federal preemption and the filed-rate doctrine.

2 19. Finally, the reaction of Settlement Class members strongly favors settlement
3 approval. While the Settlement Class contains millions of members, only a handful have opted-
4 out of the Settlement Class, and none have objected to the Settlement.

5 20. The allocation of Settlement proceeds as between the Core Natural Gas Subclass
6 and the Non-Core Natural Gas Subclass, as set forth in the notices disseminated to the Settlement
7 Class, is also hereby approved as fair, adequate, and reasonable.

8 21. Accordingly, the Settlement Agreement, attached hereto as Exhibit A, is approved
9 and made a part of this judgment as if fully set forth herein, and shall have the full force and
10 effect of an order of this Court. The parties shall consummate the Settlement Agreement
11 according to its terms.

12 22. Under California Code of Civil Procedure sections 578, 579, and 664.6, the Court,
13 in the interests of justice, there being no just reason for delay, expressly directs the Clerk of the
14 Court to enter this Judgment, Final Order, and Decree, and hereby decrees, that upon entry, it be
15 deemed as a final judgment and appealable with respect to all claims asserted by members of the
16 Settlement Classes against Coral.

17 23. In addition to the effect of this final judgment, the Released Parties (as defined in
18 the Settlement Agreement) are released and forever discharged by the Class Representatives and
19 by each and every member of the Settlement Class from any and all claims, causes of action,
20 demands, rights, actions, suits and requests for equitable, legal and administrative relief of any
21 kind or nature whatsoever arising now or in the future, out of, in connection with, or relating to (i)
22 the facts and claims alleged in any of the Class Actions, or (ii) the direct or indirect purchase of
23 natural gas during the Class Period, including but not limited to the purchase of physical natural
24 gas and/or any transaction relating to, dependent upon or derivative of the price of natural gas
25 ("Claims"), including without limitation any and all claims that were, could have been, or might
26 in the future be, asserted against the Released Parties, in any forum, under any of state or federal
27 antitrust laws, unfair competition statutes and common law principles, unjust enrichment
28 principles, or any other common law, statutory or equitable theory, and including without

1 limitation the Claims alleged in each Class Action, and/or in each action now pending in Federal
2 Court as part of the proceeding known as MDL No. 1566 to the extent such action is brought on
3 behalf of Settlement Class members. Notwithstanding anything to the contrary contained herein,
4 this final judgment does not release a Released Party from any claims that any Settlement Class
5 member may have arising out of or relating to their purchases of natural gas to the extent such gas
6 was resold or used to generate electricity for the purpose of resale (including, without limitation,
7 such purchases by cogenerators), or financial transactions (as used herein, "financial transactions"
8 means transactions dependent upon or derivative of the price of physical natural gas, but which
9 do not constitute the purchase of, or result in the delivery of, physical natural gas) relating to such
10 purchases. Notwithstanding the foregoing, this final judgment does not release any Claims that
11 any member of the Settlement Class may have against any Released Party based solely on the
12 performance or non-performance of the parties under a contract between the particular Settlement
13 Class member and Released Party, but only to the extent such claim is not based upon and does
14 not depend upon any contention or proof that the rate or price charged was affected in any way by
15 any improper conduct relating to the price of natural gas. To the extent any such contract-based
16 claims would rely upon any conduct or matters released in this paragraph, they are hereby
17 waived, released and extinguished. Notwithstanding anything to the contrary contained herein,
18 this final judgment does not release a Released Party from any Claims that any member of the
19 Settlement Class classified as a "core customer" by the California Public Utilities Commission
20 may have against the Released Parties arising out of or relating to financial transactions. This
21 final judgment shall not be construed to create, modify, extinguish or otherwise affect any
22 argument by Coral that any Claims excluded from the Released Claims by this paragraph are
23 barred based on the rule against splitting the cause of action, or any equivalent or analogous rule
24 of state or federal law. This final judgment does not release any Claim against any entity other
25 than the Released Parties, or any Claim or liability as between any Settlement Class member and
26 any other Settlement Class member.

27 24. To the fullest extent permitted by law, the Class Representatives, on behalf of
28 themselves and each and every member of the Settlement Class, expressly waive the benefits of

1 any statutory provision or common law rule that provides, in sum or substance, that a release does
2 not extend to claims which the releasor does not know or suspect to exist in its favor at the time
3 of executing the release, which if known by it, would have materially affected its settlement with
4 the other party. In particular, but without limitation, the Class Representatives, on behalf of
5 themselves and each and every member of the Settlement Class, understand the provisions of
6 California Civil Code Section 1542, which provides:

7 A general release does not extend to claims which the creditor does
8 not know or suspect to exist in his or her favor at the time of
9 executing the release, which if known by him or her must have
 materially affected his or her settlement with the debtor.

10 The Class Representatives, on behalf of themselves and each and every member of the Settlement
11 Class, with the advice of counsel, have agreed that (i) the provisions of California Civil Code
12 Section 1542 are hereby knowingly and voluntarily waived and relinquished, and (ii) the
13 provisions of all similar federal or state laws, rights, rules, or legal principles of any other
14 jurisdiction, to the extent that they are found to be applicable herein, also are hereby knowingly
15 and voluntarily waived and relinquished. Notwithstanding the foregoing waiver of California
16 Civil Code Section 1542, the releases set forth in this final judgment are specific to the matters set
17 forth in the releases and are not intended to constitute general releases as to all claims, or
18 potential claims, between the releasing and Released Parties.

19 25. The Class Representatives, and each and every member of the Settlement Class, is
20 hereby barred, enjoined, and prohibited from instituting or prosecuting, as a class member or
21 otherwise, any further action or proceeding, in any jurisdiction, against the Released Parties
22 asserting Claims (as defined herein) that are released by the Settlement Agreement.

23 26. Without affecting the finality of this Judgment, Final Order, and Decree, the
24 Settling Parties, including the members of the Settlement Classes, have submitted to the exclusive
25 and continuing jurisdiction of this Court, and this Court reserves exclusive and continuing
26 jurisdiction over the Settlement, including the administration and consummation of the
27 Settlement.

28 27. Nothing in this Order shall be construed to expand the obligations of Coral under

1 the Settlement Agreement or to impose obligations on Coral other than those contained in the
2 Settlement Agreement.

3 28. As to Coral, the Class Actions are hereby dismissed with prejudice, and, except as
4 provided in the Settlement Agreement, without costs.

5 29. The Court hereby GRANTS the Good Faith Motion, and determines that the
6 settlement entered into in this case was made in good faith for the purposes of California Code of
7 Civil Procedure Sections 877 and 877.6.

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9 SO ORDERED, this 11 day of December, 2006.



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11 Hon. Ronald S. Prager
12 Coordination Trial Judge
13 Superior Court of the State of California
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